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UNITED STATES DEPARTMENT OF AGRICULTURE, WASHINGTON, D.C.

LATE NEWS

Chilean grain seedings are said to have suffered from the effects of drought in northern Chile. Present prospects indicate moderate decreases in wheat and oat acreages as compared with 1944, but a small increase in the barley acreage. Although subsequent weather conditions may change the situation, the Chilean deciduous fruit outlook is reported excellent at present.

Mexican cotton producers in various areas have petitioned the Government to cancel wartime restrictions upon the export of cotton, in view of the large 1943 crop and the existence of heavy stocks from previous crops. An estimated 300,000 bales will be available for export during the period ending July 31, 1946.

India has removed more than 100 commodities from the list of export controlled items as announced in the Gazette of India, November 3. The decontrolled commodity list includes: Indigo, cashew nuts, kapok, animal oils, perfumed spirits, soapnut and bilawan nuts, cigars, cigarettes, and unmanufactured tobacco including flue-cured, raw cotton, essential oil seeds, and spices of all kinds excluding pepper and cinnamon. Decontrol of some and liberalization of control on other commodities results from a Government decision to rebuild old export trade and take advantage of opportunities to cultivate new markets.

Note: The world summary article on oranges, grapefruit, and lemons, scheduled for this issue of Foreign Crops and Markets, will appear at a

WORLD RICE PRODUCTION LESS THAN LAST YEAR

World rice production in 1945-46 may be smaller than the reduced output of 1944-45, and more than 10 percent less than production before the war. The total harvest is tentatively forecast at 6,500 million bushels, compared with 6,800 million last year and 7,400 million during the 5-year (1935-36 to 1939-40) average period. The only continent showing an increase is North America, where the United States has prospects for another record crop and growing conditions so far in Central American countries have been favorable for increased production. The Cuban crop, however, is about 15 percent less than the relatively small production of a year ago.

The smaller world crop results primarily from a smaller outturn in Asia. The acreage in the Orient may be only moderately less than a year ago, but yield per acre is low because of unfavorable weather and wartime disturbances. The greatest reduction apparently occurred in China, which normally produces about one-third of the world total. Crop estimates for Free China indicate that production may be from 1 to 2 percent less than the harvest of 1,740 million bushels last year. The crop in India, producer of one-fourth of the world harvest, is reported as about the same as last year. While the acreage of the winter crop is somewhat smaller than a year ago, in Bengal, the principal producing area, rainfall has been beneficial to date.

Owing to unfavorable weather and deteriorated economic conditions, no material increase above the low 1944-45 total production is expected in the exporting countries of Burma, Siam, and French Indochina. The Philippine acreage is about 60 percent of prewar, and a delay in planting caused by dry weather may adversely affect production. Whether a substantial increase in the acreage planted in the Netherlands Indies and British Malaya has been possible after the war has not been learned.

The 1945 crop in Japan is believed to be considerably smaller than last year and from 70 to 75 percent of prewar. While a surplus is reported as available for export from Korea, an estimate of an exportable surplus from Formosa's 1945-46 crop has not been received.

The harvest in Europe this year is estimated to be almost 30 percent less than in 1944, and about 65 percent of prewar. As a result of labor and fertilizer shortages caused by the war, Italy's crop is substantially smaller than production last year, and less than one-half of prewar. The 1945 crop in Spain was curtailed to about two-thirds of last year's outturn by drought. The planted acreage in Portugal was not as large as last year, and production will be smaller.

This year's production in Africa may be about the same as that of a year ago. In Egypt, planting was hindered by insufficient water, so that

RICE: World acreage, yield per acre, and production, averages 1930-31 to 1939-40, annual 1943-44 to 1945-46 a/

Continent and country	Acreage: Average 1930-31 to 1934-35	Acreage: Average 1935-36 to 1939-40	Acreage: 1943-44	Acreage: 1944-45 b/	Acreage: 1945-46 b/	Yield per acre: Average 1935-36 to 1939-40	Yield per acre: 1945-46	Production: Average 1930-31 to 1934-35	Production: Average 1935-36 to 1939-40	Production: 1943-44	Production: 1944-45 b/	Production: 1945-46 b/
	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	Bushels	Bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
North America:												
United States	883	1,004	1,468	1 466	1,500	49.7	47.8	41,572	49,852	64,843	70,237	71,774
Mexico	84	95	160	170	c/ 168	42.2	(34.3)	3,478	4,007	5,609	5,801	(5,755)
Cuba c/	36	45	84	80	70	21.6	22.0	935	965	2,222	1,778	1,538
Dominican Republic	-	-	82	116	-	-	-	1,517	2,905	3,185	-	-
Panama	(35)	(50)	-	91	-	(32.0)	-	(960)	(1,600)	-	2,291	-
El Salvador	22	25	46	-	-	25.6	-	d/ 314	639	1,196	-	-
Other	(180)	(200)	(160)	(180)	(190)	-	-	(4,200)	(4,100)	(4,500)	(4,400)	(5,900)
Estimated total	1,280	1,490	2,110	2,160	2,220	-	-	53,000	64,100	84,400	88,800	93,700
Asia:												
French Indochina	13,505	d/ 14,020	-	-	-	22.5	-	281,497	d/ 316,038	-	-	-
Siam	7,141	7,088	-	-	-	30.1	-	231,402	213,079	-	-	-
Burma	12,770	12,671	-	-	-	27.5	-	358,219	348,534	-	c/ 230,000	-
China c/	d/ 47,099	d/ 48,161	-	-	-	d/ 52.5	-	d/2,345,574	2,623,383	-	-	-
Free China	-	d/ 36,926	34,788	35,014	34,626	50.8	42.5	-	d/1,992,394	1,574,478	1,736,779	(1,580,000)
Manchuria	474	d/ 704	-	-	-	d/ 36.1	-	14,853	31,968	-	-	-
Japan	7,887	7,862	-	-	-	75.4	-	555,061	592,894	571,950	534,000	e/ 435,000
Korea	4,112	3,837	3,718	-	-	48.6	-	156,985	186,604	170,247	-	-
Formosa	1,609	1,616	-	-	-	52.8	-	75,014	85,278	-	-	-
Philippine Islands	4,643	4,918	-	-	-	22.2	-	103,939	109,385	-	-	-
British Malaya	740	748	-	-	-	36.3	-	25,333	27,138	-	-	-
Netherlands Indies f/	9,140	d/ 9,716	-	-	-	d/ 31.6	-	276,935	d/ 306,930	-	-	-
India g/	70,288	72,707	81,117	80,754	-	26.2	-	1,995,645	1,904,819	2,291,858	2,029,125	-
Ceylon c/	865	870	1,020	1,100	-	18.4	-	14,300	16,000	14,600	12,900	-
Iran	d/ 560	d/ 534	-	-	-	d/ 34.8	-	d/ 22,413	d/ 18,577	-	-	-
Iraq	d/ 316	d/ 386	-	-	-	d/ 27.3	-	d/ 7,750	11,176	13,717	-	-
Turkey	66	78	-	-	-	39.1	-	2,220	3,050	2,638	4,296	-
Other	(9,080)	(10,800)	-	-	-	-	-	(295,500)	(323,400)	-	-	-
Estimated total h/	190,290	196,720	192,000	194,000	193,000	-	-	6,762,600	7,118,300	6,761,000	6,435,000	6,148,000

Europe:												
Italy	343	362	375	304	240	103.9	72.5	32,662	37,620	34,210	24,270	17,400
Spain	117	-	-	-	116	-	67.2	14,558	-	10,199	11,717	7,800
Portugal	39	50	64	-	-	68.0	-	1,740	3,398	3,627	-	-
Bulgaria	18	19 c/	41	-	-	54.8	-	791	1,041	-	-	-
Other	(3)	(10)	-	-	-	-	-	(150)	(400)	-	-	-
Estimated total	520	550	620	560	470	-	-	49,900	53,100	51,600	42,800	30,700
Africa:												
Egypt	352	463	667	643 c/	644	68.5 c/	59.5	20,876	31,699	33,570	39,908 c/	38,300
French West Africa	1,065 d/	1,562	-	-	- d/	13.4	-	18,087 d/	20,936	-	-	-
Sierra Leone	307	-	-	-	-	-	-	9,015	-	-	-	-
Madagascar	1,354	1,207	1,334	-	-	29.4	-	34,166	35,439	33,313	34,293	-
Other	(330)	(520)	-	-	-	-	-	(59,000)	(6,700)	-	-	-
Estimated total	3,410	4,100	4,700	4,800	4,900	-	-	88,000	103,900	116,000	125,000	124,000
Oceania:												
Australia	21	23	41	25	-	98.7	-	1,629	2,117	3,747	1,547	-
Other	(10)	(20)	(10)	(20)	-	-	-	(600)	(600)	(700)	(800)	-
Estimated total	30	40	50	40	40	-	-	2,200	2,700	4,400	2,300	3,200
South America:												
Brazil	2,074	2,329	-	-	-	28.5	-	58,970	66,449	(87,700)	(93,000)	-
Argentina	25	52	128	129	-	59.8	-	1,054	3,112	8,559	6,807	-
Chile	- d/	26	88	110	- d/	81.1	-	18	1,299	7,340	7,862	-
Colombia d/	114	-	-	-	-	-	- d/	2,508	3,378	5,901	5,923	-
Peru	126	107	145	-	-	42.8	-	4,551	4,578	6,761	6,406	-
Ecuador	-	-	-	-	-	-	-	2,212	3,439	6,075 c/	4,850	-
Uruguay	3	13	13	16	-	66.6	- d/	284	866	849	1,206	-
British Guiana	78	70	86	93	-	50.6	-	3,445	3,559	4,362	4,812	-
Surinam d/	29	37	29	31	-	46.0	-	1,078	1,703	1,577	1,685	-
Other	(30)	(50)	(80)	(80)	-	-	-	(900)	(1,000)	(1,800)	(1,800)	-
Estimated total	2,580	2,990	4,240	4,310	4,400	-	-	75,000	89,400	130,900	134,400	133,000
Estimated world total	198,100	205,900	204,000	206,000	205,000	-	-	7,031,000	7,432,000	7,148,000	6,828,000	6,533,000

Compiled from official sources, except as noted, and the International Institute of Agriculture. Figures shown in parentheses are estimations of the Office of Foreign Agricultural Relations.

a/ Crops harvested in Northern Hemisphere countries during the latter part of the year, together with those harvested in southern Asia principally from November to May, are combined with crops harvested in Southern Hemisphere countries during the first part of the following year. b/ Preliminary. c/ Unofficial.

d/ Less than 5-year average. e/ Crop as of October 10, 1945, according to the Domei News Agency's rice survey. f/ Java and Madura only. Remainder included in estimated total for Asia. g/ Includes figures for areas regularly reported only, comprising about 92 percent of the total rice area of India. Official estimates for unreported areas included in estimated total for Asia. h/ Includes estimates for the Soviet Union.

the harvest may be about 2 million bushels smaller than in 1944. Australian rice production is expected to be larger than last year's crop which was short due to drought.

It is too early to forecast production in South America, since most of the 1945-46 rice acreage, planted principally from October to December, will not be harvested until the first half of 1946. If planting weather is favorable, a larger acreage may be sown than last year in most of the producing countries. Increased acreage is forecast particularly in Ecuador and British Guiana. Even if the acreage is larger in South America, however, it is possible that the total outturn may be less than in 1944-45, when there was an unusually large crop in central Brazil.

This is one of a series of regularly scheduled reports on world agricultural prospects approved by the OFAR Committee on Foreign Crops and Livestock Statistics. For this report the Committee was composed of Joseph A. Becker, chairman, C. M. Purves, Fred J. Rossiter, L. Thelma Willahan, John A. Hopkins, Karl J. Pelzer.

COMMODITY DEVELOPMENTS

GRAINS, GRAIN PRODUCTS, AND FEEDS

SWEDEN'S BREADGRAIN SUPPLY INADEQUATE

Sweden's 1945 breadgrain crop will not supply sufficient millable quality grain for the country's consumption requirments, and imports will be needed to make up the deficit, according to a report from the American Legation at Stockholm. The production of wheat and rye together, reported at a slightly larger figure than the 1944 crop, is about 17 percent less than the average during 1935-1939. As a result of the current shortage, continuance of bread rationing will be necessary.

The wheat crop is the largest reported since 1940, whereas the rye crop is only about 77 percent of last year's production. Some shift from rye to wheat acreage is indicated, and rye yields are slightly smaller than a year ago. A large percentage of sprouted and high moisture content grain is reported. Special attention to storage is said to be necessary to avoid further damage.

A serious shortage of feed grains is also reported, and all feeds are rationed. Farmers are being urged to use cellulose as a supplementary feed for all animals.

SWEDEN: Breadgrain acreage and production, average 1935-1939, annual 1941-1945

Year	Wheat		Rye	
	Acreage	Production	Acreage	Production
	1,000 acres	1,000 bushels	1,000 acres	1,000 bushels
Average 1935-1939...	740	26,351	495	14,828
1941	708	12,164	511	10,993
1942	688	17,344	617	17,640
1943	658	19,261	543	15,934
1944	682	19,941	502	14,046
1945	731	23,255	423	10,885

From official estimates.

FATS AND OILS

ARGENTINE LARD PRODUCTION UP

The 1945 lard production in Argentina is expected to total approximately 110 million pounds, compared with 100 million pounds in 1944. Prospects for larger lard production this year can be attributed to extra weight gained by hogs during the April-June frigorifico strikes, even though hog slaughter was about 10 percent less for the first 6 months of 1945 compared with 1944. Present indications are that next year's lard output will be about 15 percent smaller than in 1945.

For the first time in the war years a downward trend in hog production is now evident in Argentina. This trend developed several months ago when the hog-corn price ratio became unfavorable, reflecting higher prices for corn and other grains because of the strong demand for export, feed, and fuel.

Domestic consumption of lard in Argentina is small in relation to the consumption of other fats and vegetable oils. Trade sources estimate that probably only about 10 percent of the domestic lard is consumed in Argentina.

During the war years until the latter part of 1944, lard prices in Argentina did not fluctuate to any extent, selling wholesale for about 10 cents or less per pound. Since the first of this year, however, prices have increased fully 100 percent. A quantity of lard was sold recently to Peru for 25.5 cents per pound. Advances in lard prices, both directly and indirectly, have been a factor in contributing to the rise in hog prices since July 1945.

Although lard exports for the first 6 months of 1945 were up 63 percent over the same period a year ago, total yearly shipments will be less than the 87 million pounds of 1944. During the last several months not much lard has been exported and the quantity of free lard is much smaller than the production would indicate. This situation reflects a "protection policy" being followed by the frigorifico while details of a new meat contract are being developed.

The most important single purchaser of lard in Argentina so far this year has been Mexico. Among the important South American importers of Argentine lard have been Bolivia, Ecuador, and Peru.

The following table gives comparative data on lard exports from Argentina since 1935, which have exhibited a marked upward trend since 1940.

ARGENTINA: Exports of lard,
average 1935-1939, annual 1941-1945

Country	Average 1935-1939	1941	1942	1943	1944	1945 a/
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
South America	1,442	12,773	21,698	34,121	38,226	17,615
Caribbean	13	0	6,376	25,000	1,035	262
Central America	20	899	3,318	2,456	76	382
Mexico	0	7	7,383	2,083	14,756	20,185
United States	9	60	948	7	24	357
Sweden	2	212	240	4,001	10,539	5,163
Germany	1,221	0	0	0	0	0
United Kingdom	13,347	2,533	18	108	7,722	7,335
Union of South Africa	4	64	831	525	2,220	196
Others	1,076	1,448	3,624	3,668	12,670	2,568
Total	17,134	17,996	44,436	71,969	87,268	54,063

Compiled from official sources. Data for 1943 and 1944 furnished by the American Embassy in Buenos Aires.
a/ First 8 months only.

URUGUAYAN FLAXSEED ACREAGE INCREASED

The first Uruguayan flaxseed estimate for 1945-46 indicates an acreage of 437,000, compared with 403,000 last year and the 5-year average of 326,000.

From the 1944-45 crop of 3.9 million bushels, about 2.4 million bushels of seed are reported now available for exportation. If weather conditions are favorable, an exportable surplus at least equal to this amount will be obtained from the 1945-46 crop. Prewar exports averaged approximately 3 million bushels.

URUGUAY: Acreage, yield, production, and exports of flaxseed, 1945-46 with comparisons

Year	Area	Yield per acre	Production	Exports
	1,000 acres	Bushels	1,000 bushels	1,000 bushels
Average 1937-38 to 1941-42	400	8.7	3,494	3,122
1942-43	337	5.4	1,808	1,481
1943-44	a/ 255	11.2	a/ 2,854	b/ 1,272
1944-45	403	9.7	3,923	c/
1945-46	437	c/	c/	c/

Compiled from official sources.
a/ Revised. b/ Preliminary. c/ Not available.

TOBACCO

HIGHER PRICES SET FOR ONTARIO'S 1945 FLUE-CURED CROP

The Ontario Flue-Cured Tobacco Marketing Association has established a minimum average price of 30.2 cents (United States equivalent) for 1945 crop flue-cured leaf produced by Association members. The Association's price-fixing committee believes that the price has been set sufficiently high to encourage a considerable increase in the 1946 acreage. In 1945, the flue-cured area in Ontario amounted to about 72,000 acres, and production is estimated at 74.9 million pounds.

The following schedule has been set for the various grades of flue-cured leaf grown in 1945 by members of the Association.

Grade	United States 1/ cents	Grade	United States cents
B1	57.3	C3	45.8
B2	45.8	C4	40.1
B2L	40.1	C5	34.4
B3	34.4	M1	28.6
B3L	29.2	M2	22.9
B4	24.1	X2	28.6
B5	19.5	X3	22.9
B6	14.3	X4	17.2
C2	57.3	ND	2.9

1/ Converted from Canadian currency with Canadian dollar equal to 90.91 United States cents.

Increased domestic consumption and lower production in 1945 have reduced the amount of flue-cured leaf available for export in 1946. The Tobacco Administrator has fixed an export quota of only 11 million pounds for next year, compared with 16 million in 1945. About 8 million will be earmarked for the United Kingdom, and the remainder for the British West Indies. There is a ready market in the United Kingdom for all surplus flue-cured leaf grown in Canada.

NEW ZEALAND'S IMPORTS LARGER: PRICES FOR DOMESTIC LEAF UP

New Zealand's imports of unmanufactured tobacco during the first half of 1945, practically all of which originated in the United States, totaled 4,950,000 pounds, or nearly three times as much as the 1,773,000 pounds imported during the corresponding period of 1944. The country is dependent upon supplies of foreign leaf for about two-thirds of its tobacco requirements.

The New Zealand Tobacco Board in August 1945 established average prices for 1944-45 crop leaf somewhat higher than those paid for the previous crop. The average orice set for flue-cured tobacco was 32.6 cents per pound and for air-cured, 28.6 cents, as compared with the average prices of 31 cents and 27 cents for the 1943-44 crops.

COTTON AND OTHER FIBERS

COTTON: Prices of certain foreign growths and qualities in specified markets

Market location kind and quality	Date 1945	Unit of Weight	Unit of Currency	Price in Foreign currency	Equivalent U.S. cents per pound
Alexandria (spot)		Kantar			
Ashmouni, F.G.F.	11-1	99.05 lbs.	Tallaris	34.50	28.80
Giza 7, F.G.F.	11-1	99.05 lbs.	Tallaris	Not quoted	
Karnak, F.G.F.	11-1	99.05 lbs.	Tallaris	38.50	32.14
Bombay (Jan. futures)		Candy			
Jarila	11-2	784 lbs.	Rupee	390.50	15.00
Bombay (spot)		Candy			
Kampala, East African	11-2	784 lbs.	Rupee	850.00	32.66
Buenos Aires (spot)		Metric ton			
Type B	11-3	2204.6 lbs.	Peso	1300.00	17.56
Lima (spot)		Sp. Quintal			
Tanguis, Type 5	11-3	101.4 lbs.	Sol	105.00	15.93
Recife (spot)		Arroba			
Mata, Type 5	11-2	33.07 lbs.	Cruzeiro	80.00	13.17
Sertao, Type 5	11-2	33.07 lbs.	Cruzeiro	82.00	13.50
Sao Paulo, (spot)		Arroba			
Sao Paulo, Type 5	11-2	33.07 lbs.	Cruzeiro	91.50	15.06
Torreon (spot)		Sp. Quintal			
Middling, 15/16"	11-3	101.4 lbs.	Peso	86.00	17.45

Compiled from weekly cables from representatives abroad.

SUGAR

CUBAN SUGAR PROSPECTS IMPROVE

Prospects for 1946 Cuban sugar production are improving with the crop now indicated at about 4.6 million short tons. Much depends, however, upon the weather from now until time of harvest which is expected to begin about January 15.

Heavy plantings during the spring and fall of 1945 will probably continue during the spring of 1946, thus increasing the acreage of cane available for the 1947 crop, and under normal weather conditions should produce a near-record large crop.

The acreage for 1946 is estimated at 2.6 million acres. Yields of cane for the 1946 crop are forecast at 14.5 tons per acre, about 19 percent more than the 12.2 tons estimated for 1945, but 15 percent less than the 17.0 tons during the 5-year (1939-1944) period when a considerable acreage of 2-year-growth cane was available. Sugar content of 1946 cane may be somewhat less than normal because a large part of the 1946 crop will be from newly planted cane which normally has a relatively low sugar content and also because some of the cane is not fully developed as a result of the spring and early summer drought.

Consumption in 1945 is estimated at 284,000 short tons. Demand for sugar, however, for making candy for export has resulted in an unequaled consumption and stocks are very low.

SUGAR: Area, yield, and total production of cane and sugar in Cuba, 1946 with comparisons

Year	Area		Cane			Raw Sugar	
	Total	Harvested	Yield	Total	Harvested	Yield	Production
	Million acres	Million acres	Tons	Million tons	Million tons	Percent	Million tons
1944	2.5	2.4	18.9	47.1	45.3	12.41	5.64
1945	2.6	2.5	12.2	32.0	30.2	12.98	3.92
1946 a/	2.7	2.6	14.5	39.2	37.7	12.30	4.64

Compiled from official sources.
a/ Indicated.

FRUITS, VEGETABLES, AND NUTS

SMALLER CITRUS CROP INDICATED IN ARGENTINA

Orange production in Argentina for the 1944-45 season is estimated at 10,096,000 boxes, 10 percent less than the 11,240,000 boxes produced in 1943-44. Tangerines make up a third of this total. Grapefruit is placed at 115,000 boxes, 37 percent less than the 182,000 boxes produced in 1943-44. Lemons are estimated at 913,000 boxes, 15 percent less than the 1,075,000 boxes produced in the preceding year.

WORLD 1945 DRIED-APRICOT PACK CONSIDERABLY SMALLER THAN 1943 1/

The 1945 preliminary estimate of dried-apricot production in the United States, Australia, Spain, and other leading commercial producing countries is 14,100 short tons, compared with 39,100 short tons in 1944 and 15,200 tons in 1943. The estimate represents a decrease of 45 percent from the 5-year (1939-1943) average of 25,500 tons and a 47 percent decrease from the 10-year (1934-1943) average of 26,700 tons. Output in the United States, Australia, and Spain showed sharp decreases while that in South Africa showed a modest decline, but that of Syria remained unchanged. The 1945 roster of commercial producing countries, having a 100 tons or more on which data are available, includes two newcomers, Argentina with 300 tons and Chile with 100.

DRIED APRICOTS: Estimated production in specified countries, averages 1934-1943, annual 1942-1945
(Rounded to nearest 100 short tons)

Year	Australia	Spain	South Africa	Syria	Foreign total	United States	World total
	Short tons	Short tons	Short tons	Short tons	Short tons	Short tons	Short tons
Average							
1939-1943	1,800	2,600	700	700	5,800	19,700	25,500
1934-1943	1,600	a/	1,400	800	3,800	22,900	26,700
Annual							
1942	2,100	4,700	300	500	7,600	20,800	28,400
1943	1,400	5,500	700	1,000	8,600	6,600	15,200
1944 c/ .	b/2,100	9,600	900	800	b/ 13,400	25,700	[illegible]39,100
1945 c/ .	b/ 900	b/3,300	700	800	d/ 6,100	8,000	d/14,100

Compiled from official and trade sources.
a/ Not available. b/ Revised. c/ Preliminary. d/ Includes Argentina and Chile.

In addition to the countries listed in the above table, dried apricots are produced in varying amounts in practically all countries bordering the Mediterranean and in the near East. Russia has a production of unknown quantity. Iran has a sizable production, but a heavy percentage is consumed domestically. Complete and accurate data on the Iranian industry, however, are not available at this time.

The world's exportable supply during the 1945-46 marketing season is definitely limited. The United States, Spain, and possibly Syria will be the only potential suppliers of more than modest tonnages.

1/ A more extensive statement on this subject is available upon request to the Division of Foreign Information and Statistics, Office of Foreign Agricultural Relations, also Foreign Crops and Markets. May 28, 1945.

LIVESTOCK AND ANIMAL PRODUCTS

ARGENTINE MILK PRODUCTION IMPROVES

More favorable weather conditions in Argentina in the past month in the principal dairying districts of Argentina have brought about an improvement in pastures. The seasonal increase in output of milk and manufactured dairy products which occurred in October is expected to continue throughout the next few months. Milk production in the coming year should be larger than that of the past 12 months when it was curtailed by drought.

Cheese production in September amounted to 11,186,000 pounds, an increase over August when 8,814,000 pounds were manufactured. Cheese exports in September continued seasonally large, though they fell somewhat below those of August. In September, Argentina exported 3,272,000 pounds of cheese, compared with 3,406,000 pounds in the earlier month.

Butter production in September was somewhat larger than that of August, amounting to 5,370,000 pounds and 4,079,000 pounds, respectively. Exports in September, amounting to 1,065,000 pounds, showed slight gain over the 948,000 pounds exported in August. Export trade was adversely affected by the high asking price of 31 cents per pound, compared to a domestic ceiling price of 28 cents per pound.

BRITISH REDUCE ISSUE PRICES OF RAW WOOLS

The British Wool Control has reduced the price of six types of colonial wools (from Australia, New Zealand, and the Union of South Africa) and three types of British wools when sold to British manufacturers producing yarns and fabrics for domestic consumption. The new Order 23 became effective November 1. Reductions were made also in prices of tops in Order 24.

Reductions apply only to specified types of wool and tops, not finer than 50's. The prices of the finer wools and tops, however, remain the same as those in effect since November 1, 1940 (Orders 13 and 14).

Reductions on colonial wools range from 2.9 cents per pound to 3.4 cents, with larger reductions applying to coarser grades, compared with prices in effect since November 1, 1940. None of these price reductions apply to raw wool or tops sold to manufacturers producing cloth or yarns for export or for wool or tops exported in the raw condition.

No official explanation was given for exclusion of fine (merino) wools from the downward price adjustment. The British trade is of the opinion that the authorities are attempting either to adjust the price between merino and crossbred types to something like the prewar relationship or that the Control is making crossbred wool and tops more attractive to domestic buyers in order to move larger weights into consumption. The finer wools have been more in demand during the war for military purposes.

Export manufacturers still pay 10 to 11 percent more for fine and fine crossbred and an even larger percentage more for the coarser grades than the manufacturer producing for the domestic trade when buying through the Control. The price of raw wool and tops when sold for export in the existing state as established in the same order of October 1, 1944, is 1/39 (2.56 percent) above the prices to export manufacturers. a/

a/ See table in Foreign Crops and Markets, October 30, 1944, page 198, last 2 columns, for prices to manufacturers producing for export.

UNITED KINGDOM: Issue prices per pound of specified types of colonial raw wool, clean scoured basis, November 1, 1945, with comparisons

Description	Issue prices for domestic consumption: October 23, 1939 a/	November 1, 1940 No. 13 a/	November 1, 1945 No. 23 a/
	Cents	Cents	Cents
Combing type			
64s warp	42.6	59.7	b/
56s super	34.2	52.1	b/
50s carded	-	44.1	41.2
48s average carded	-	40.8	37.8
48s hogs	-	42.4	39.5
44s prepared	27.2	38.7	35.3
Clothing types			
Australia:			
Fleeces 70s	43.0	62.2	b/
Locks 60s/64s	28.0	42.9	b/
Skin wool, 64s	43.0	60.5	b/
Cape shorts 64s/70s	33.0	50.0	b/
New Zealand 50s/56s			
Second prices	25.9	40.3	b/
Sliped lambs	30.1	43.7	b/
New Zealand 44s/48s			
Second pieces	23.8	34.9	31.9
Average crutchings	25.1	37.8	34.8

Compiled from official sources. Converted at current rates of exchange in 1939 - at official rates for later years.

a/ Wool Control issue prices to manufacturers producing for the domestic market.

b/ No change. Price remains the same as that in effect since November 1, 1940 (Order 13).

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MISCELLANEOUS

OUTLOOK FAVORABLE FOR INDIAN LEMONGRASS OIL OUTPUT

Although no reliable production statistics are available, anticipated higher prices in India for lemongrass oil are expected to result in a larger acreage being harvested during 1945-46 than in 1944-45. Assuming average yields equal to those of the previous season, even a 10 percent increase in acreage harvested, would result in a production of approximately 440 long tons for the present crop year. India, source of most of the world's lemongrass oil, produced about 400 long tons of this widely-used essential oil during the 1944-45 season from an estimated 25,000 acres.

The United States depends upon India to supply the bulk of its lemongrass oil. During war years, however, the production of the oil increased in Western Hemisphere countries. Guatemala, the only Western Hemisphere nation exporting significant quantities before the war, increased its production approximately three-fold, and Honduras, El Salvador, Haiti, Mexico, and other Latin American countries began to produce and to export the oil. During 1944, the United States imported 1,028,518 pounds of lemongrass oil, of which 812,321 pounds came from India, 184,908 pounds from Guatemala, and the remainder from other Western Hemisphere producers. During the first 9 months of 1945, United States imports totaled 1,042,105 pounds.

Shortages of other essential oils have resulted in increased demand for lemongrass oil, which is used extensively in the manufacture of soaps, perfumes, cosmetics, and certain polishes. During the last quarter of 1939, it sold at approximately 37 cents a pound, f.o.b. New York. Current New York quotations are now from $2.35 to $2.50 a pound.

Most of India's lemongrass oil is produced in the western part of the Madras Presidency and in the State of Travancore. Cutting usually begins in July and extends through January. Four or more cuttings may be made each season, but the highest yields of oil generally are obtained from July to October. For the most part, distillation is by means of primitive stills set up near the plantations. The distillers sell the oil to dealers who transport it in small boats by way of the backwaters to Cochin, port of shipment. The entire production is exported with the exception of small quantities used by the Indian soap manufacturing industry.

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ARGENTINA SETS 1945-46 WHEAT PRICE

The Argentine Government has announced a basic wheat price of $1.22 per bushel (15 pesos per 100 kilograms) for the 1945-46 crop. The guaranteed price to producers is on the basis of sacked grain on board cars at Buenos Aires. This is the highest minimum price set since the policy of basic prices as a farm relief measure was adopted in 1933. The new price compares with the 1944-45 rate of 9 pesos, representing an increase of 6 pesos, or 49 cents per bushel. The highest price established previously was 81 cents per bushel (10 pesos), at the present rate of exchange, for the 1935-36 crop. The present decree provides that wheat for export must continue to be purchased from the Grain Regulating Board.